

Message Text

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TAGSB

ETRD, ELAB, PINT, HO

SUBJECT: SUTRAFSCO VS. STANDARD FRUIT

REF: A. TEGUCIGALPA 5879 B. TEGUCIGALPA 0195

BEGIN SUMMARY: ON JANUARY 17 LABOFF MET WITH SUTRAFSCO
(UNION OF WORKERS OF THE STANDARD FRUIT CO.) PRESIDENT
NAPOLEON ACEVEDO AND OLDER MEMBERS OF THE UNION'S

EXECUTIVE BOARD. THE UNION STRONGLY CONDEMNED COMPANY
ACTIONS FOLLOWING HURRICANE FIFI AND MAINTAINS THAT
COMPANY IS STILL VIOLATING THE HONDURAN LABOR CODE AND
ITS COLLECTIVE CONTRACT WITH THE UNION. SUTRAFSCO IS
OPPOSED TO THE COMPANY'S PROPOSAL OF THE ESTABLISHMENT
OF A "MIXED ENTERPRISE" (EMPRESA MIXTA) IN THE HEAVILY
DAMAGED ISLETAS AREA AND PREFERS A RETURN TO THE SITU-
TION EXISTING PRIOR TO THE HURRINNE. IF THAT IS NOT
POSSIBLE THE UNION WOULD SUPPORT THE CREATION OF A "MIXED
ENTERPRISE" SYSTEM COVERING ALL OF THE COMPANY'S HOLDINGS
OR COMPLETE NATIONALIZATION. END SUMMARY.

1. LABOFF MET WITH SUTRAFSCO (UNION OF WORKERS OF THE
STANDARD FRUIT CO.) PRESIDENT NAPOLEON ACEVEDO AND OTHER
MEMBERS OF OFE UNION'S EXECUTIVE BOARD AT THE UNION'S
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OFFICE IN LA CEIBA ON JANUARY 17. ACEVEDO DESCRIBED COM-

MUNICATIONS BETWEEN THE COMPANY AND UNION AS BEING NON-EXISTENT AND BLAMED THE COMPANY'S LACK OF GOOD FAITH. ACEVEDO SAID THAT THE COMPANY HAS CONSISTENTLY VIOLATED BOTH THE HONDURAN LABOR CODE AND ITS COLLECTIVE CONTRACT WITH THE UNION SINCE FIFI STRUCK LAST SEPTEMBER. HE SAYS THAT THERE ARE NOW 2,000 WORKERS ILLEGALLY SUSPENDED (MOST IN THE ISLETAS AREA) AND THAT THE COMPANY IS NOT PROVIDING BASIC SERVICES OUTLINED IN THE CONTRACT.

2. ACEVEDO PROVIDED THE FOLLOWING CHRONOLOGY OF COMPANY ACTION:

(A) FOLLOWING THE HURRICANE STANDARD PAID WAGES TO ALL WORKERS, INCLUDING THOSE WHO WERE UNABLE TO WORK BECAUSE OF DESTRUCTION OF FIELDS. IT PETITIONED LABOR MINISTRY FOR PERMISSION TO SUSPEND ENTIRE WORK FORCE. THE COMPANY NEGOTIATED AN AGREEMENT WITH LABMIN FONSECA ALLOWING FOR ROTATIONAL WORK SCHEDULES. AFTER AGREEING ORALLY TO

ARRANGEMENT, COMPANY REFUSED TO SIGN;

(B) ON NOVEMBER 11 THE COMPANY SUSPENDED 2,000 WORKERS (MOSTLY IN ISLETAS AREA) AND SUSPENDED ALL SERVICES, INCLUDING THE COMMISSARY AND HOSPITAL. THE LABOR MINISTRY HAD NOT APPROVED THE SUSPENSION;

(C) ON NOVEMBER 18-20 LABMIN FONSECA WAS AGAIN IN LA CEIBA TO NEGOTIATE A COMPROMISE RESOLUTION; SUTRAFSO AGREED TO SEVERAL COMPANY CONDITIONS AND AN ACCORD WAS REACHED. WHEN THE WRITTEN DOCUMENT WAS PRESENTED TO COMPANY MANAGER ROTOLO, HE REFUSED TO SIGN. BOTH AGREEMENTS SUBPARAS (A) AND (C) WERE ABORTED FOLLOWING VISITS OF HOME OFFICE REP. HOMER EATON (ACEVEDO FEELS ROTOLO'S ACTIONS ARE BEING VETOED BY THE SAN FRANCISCO HEADQUARTERS);

(D) ON NOVEMBER 22 STANDARD INFORMED GOH BANANA COMMISSION THAT ISLETAS AREA WILL NOT BE RECONSTRUCTED UNLESS GOVERNMENT BACKS DOWN ON BANANA TAX;

(E) IN DECEMBER, STANDARD SUGGESTED MIXED ENTERPRISE
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SCHEME AS SOLUTION TO ISLETAS PROBLEMS;

(F) ON JANUARY 2 THE COMPANY AND GOH BANANA COMMISSION AGAIN MET. COMPANY WAS TOLD THAT GOH WOULD CONSIDER PROPOSALS BUT THAT COMPANY WOULD HAVE TO BEGIN WORK ON JANUARY 5. ACEVEDO CLAIMS MINGOV MELGAR AND MINFIN ACOSTA AS HIS SOURCES. WORK HAS NOT YET BEGUN.

3. ACEVEDO ACKNOWLEDGED THAT COMPANY COULD HAVE FINANCIAL PROBLEMS IN ISLETAS BUT SAID THAT SOME COMPANY VIOLATIONS OF THE CONTRACT AND LABOR CODE ARE NOT DIRECTLY RELATED TO ISLETAS. HE CLAIMS THAT COMPANY HAS CHANGED NORMAL ROUTING OF BANANA SHIPMENTS FROM PUERTO CORTES TO LA CEIBA TO AVOID HAVING TO REINSTATE SUSPENDED CORTES DOCK WORKERS. SECONDLY, RATHER THAN EMPLOY SUSPENDED DOCK WORKERS IN LA CEIBA DURING PEAK PERIODS, CASUAL SCAB LABOR IS USED. FINALLY, STANDARD IS CONTRACTING WORK OUT THAT IS NORMALLY DONE IN THE COMPANY'S SHOPS. COMPANY PERSONNEL OFFICERS ARE SENDING SUSPENDED SHOP WORKERS TO WORK FOR COMPANY SUBCONTRACTORS AT ONE-HALF NORMAL RATE.

4. UNION OFFICIALS WERE ALSO HIGHLY CRITICAL OF LABMIN FONSECA AND THE LABOR MINISTRY. THEY INSIST THAT THE MINISTRY SHOULD HAVE DENIED STANDARD'S PETITION TO SUSPEND WORKERS BY NOW TO ALLOW FOR WORKERS' CLE AGAINST THE COMPANY TO TAKE EFFECT. ACEVEDO ALSO EXPRESSED UNHAPPINESS THAT THE GOH HAS NOT SOUGHT THE UNION'S VIEWS ON THE MIXED ENTERPRISE CONCEPT.

5. ACEVEDO REPEATED THE UNION'S EARLIER PUBLISHED OPPOSITION TO STANDARD'S MIXED ENTERPRISES PROPOSAL. SUTRAFSCO WOULD PREFER THAT THE COMPANY RECONSTRUCT THE ISLETAS AREA FARMS AND MANAGE THEM AS BEFORE. IF THAT IS NOT POSSIBLE, THE UNION WOULD INSIST THAT ALL OF STANDARD'S HOLDINGS BE INCORPORATED INTO THE MIXED ENTERPRISE OR BE NATIONALIZED. SUTRAFSCO'S LEADERS ALSO CRITICIZE STANDARD'S PLAN AS ALLOWING THE COMPANY TO ESCAPE PAYMENT OF BENEFITS TO THE ISLETA AREA EMPLOYEES. ACEVEDO SAID THAT STANDARD HAS 34,000 COMPANY-OWNED ACRES IN THE ISLETAS AREA, 11,000 OF WHICH ARE UNCULTIVATED. HE SAID THAT THE COMPANY PROPOSAL IS TO TURN TITLE OF THOSE 11,000 ACRES OVER TO THE MIXED

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ENTERPRISE IN RETURN FOR A 30 PERCENT SHARE OF OWNERSHIP. THERE WOULD BE NO CASH CAPITAL INVESTMENT. ACCORDING TO ACEVEDO THIS IS A MOCKERY SINCE THE UNCULTIVATED LANDS WOULD BE CONFISCATED UNDER THE TERMS OF THE NEW AGRARIAN REFORM LAW.

6. SUTRAFSCO HAS DECIDED TO MAKE ITS CASE PUBLIC. THE JANUARY 18 TIEMPO CARRIED A TWO PAGE SPREAD, COMPLETE WITH PHOTOS, DETAILING THE PLIGHT OF SUSPENDED WORKERS AND THEIR FAMILIES IN THE ISLETAS AREA. THE SAME EDITION CARRIED A SHORT INTERVIEW WITH STANDARD'S LABOR MANAGEMENT RELATION OFFICER DENYING UNION CHARGES AND SAYING THAT THE COMPANY IS PROVIDING FOOD AND MEDICAL SERVICES. IT ITS JANUARY 20 EDITION TIEMPO CARRIED A FULL PAGE INTERVIEW WITH ACEVEDO DETAILING THE PROBLEMS AT ISLETAS AND THE UNION'S OPPOSI-

TION TO THE MIXED ENTERPRISE IDEA.

7. COMMENT: THE VIEWS WXPRESSED IN PARAGRAPHS 1-6 ABOVE ARE THE FACTS AS PRESENTED BY THE UNION. LABOFF AND ECOMOFF ALSO TRIED TO DISCUSS QUESTIONS WITH COMPANY MANAGER ROTOLO BUT HE WAS NOT PRESENT IN LA CIEBA. FONSECA'S EARLIER INSISTENCE THAT HE WAS GOING TO TEACH STANDARD A LESSON (REFERENCE A) BY DENYING THE COMPANY'S PETITION CONTRASTED TO HIS MUCH Milder VIEW EXPRESSED LATER (REFERENCE B) MAY INDICATE THAT THE GOH HAS DECIDED NOT TO COMPLICATE THE EXISTING SITUATION WHILE NEGOTIATIONS ARE UNDERWAY WHICH WILL AFFECT THE NTURE OF STANDARD'S FUTURE OPERATIONS IN HONDURAS.
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